



March 31, 2022

Board of County Commissioners  
Clackamas County

Members of the Board:

Approval of a First Amendment to a Post-Closing and Development Agreement between the  
Development Agency and Shanti Investments, LLC

<b>Purpose/Outcomes</b>	The amendment of the Post-Closing Escrow and Development Agreement extends the required date for substantial completion of the development until November 22, 2023.
<b>Dollar Amount and Fiscal Impact</b>	A \$25,000 security deposit provided by the Developer will continue to be held in escrow.
<b>Funding Source</b>	Not applicable
<b>Duration</b>	All terms and conditions must be completed prior to November 22, 2023.
<b>Previous Board Action</b>	The Board directed staff to proceed with an amendment to the agreement on October 26, 2021.
<b>Strategic Plan Alignment</b>	This transaction will help grow a vibrant economy and builds public trust through good government.
<b>Procurement Review</b>	1. Was this item processed through Procurement? <input type="checkbox"/> yes <input checked="" type="checkbox"/> no 2. If no, provide a brief explanation: Not required
<b>Counsel Review</b>	Reviewed and Approved by Counsel on November 9, 2021
<b>Contact Person</b>	David Queener, Development Agency Program Supervisor 503.742.4322

**Background:**

The Development Agency entered into a Post-Closing Escrow and Development Agreement on March 22, 2018. The Agreement requires substantial completion of a hotel development within 24 months. A \$25,000 security deposit is being held as an incentive to perform.

Due to COVID, which severely affected the hospitality industry, the Developer was unable to begin construction as planned. They have requested a time extension to allow them to complete the project as required in the Agreement.

This First Amendment to the Post-Closing Escrow and Development Agreement extends the time to perform until November 22, 2023. All other terms and conditions remain unchanged.

**Recommendation:**

Staff respectfully recommends that the Board approve and execute the First Amendment to the Post-Closing Escrow and Development Agreement between the Development Agency and Shanti Investments, LLC.

Sincerely,

*David Queener*

David Queener  
Development Agency Program Supervisor

**FIRST AMENDMENT TO POST-CLOSING ESCROW AND DEVELOPMENT AGREEMENT**

**THIS FIRST AMENDMENT TO POST-CLOSING ESCROW AND DEVELOPMENT AGREEMENT** (“**Amendment**”) is entered into effective as of March \_31, 2022, between **CLACKAMAS COUNTY DEVELOPMENT AGENCY**, the Urban Renewal Agency of Clackamas County, a corporate body politic (“**Agency**”), and **Shanti Investments, LLC**, an Oregon limited liability company (“**Developer**”).

**RECITALS**

A. Agency and Developer are parties to that certain Post-Closing Escrow and Development Agreement dated effective as of March 22, 2018, a memorandum of which was recorded on March 23, 2018 in the Clackamas County real property records as document no. 2018-017992 (the “**Post-Closing Agreement**”), concerning real property, approximately 0.97 acres in size and located on the northwest corner of the intersection of SE 92<sup>nd</sup> Avenue and Johnson Creek Boulevard, in Clackamas County, Oregon, and as more particularly described in the Post-Closing Agreement (the “**Property**”).

B. The parties desire to modify the Post-Closing Agreement on the terms and conditions set forth herein. All capitalized terms used in this Amendment and not otherwise defined herein shall have their meanings as set forth in the Post Closing Agreement.

**AGREEMENT**

1. **Time Extension.** Agency and the Developer agree to extend the time in which Developer has to achieve Substantial Completion of the Building Improvements from twenty-four (24) months to sixty-seven (67) months. References to the Substantial Completion deadline in Section 1 and Section 5.4 are hereby amended to reflect the extension of time described above. Under the extended deadline, Substantial Completion must occur no later than November 22, 2023.

2. **Escrow Fees.** Notwithstanding Section 7.5, Agency and the Developer agree that any additional escrow fees that accrue as a result of this extension shall be the sole responsibility of the Developer.

3. **Counterpart; Email.** This Amendment may be executed simultaneously or in counterparts, each of which shall be deemed an original, but all of which together shall constitute one and the same Amendment. Facsimile or email transmission of any signed original of this Amendment, and retransmission of any signed facsimile or email transmission, shall be the same as delivery of an original. At the request of either party, the parties shall confirm transmitted signatures by signing an original document.

4. **Confirmation.** The Post-Closing Agreement is hereby amended and modified in accordance with the terms of this Amendment. Except as expressly modified by this Amendment, the Post-Closing Agreement and all its terms and provisions are hereby acknowledged, approved, ratified and confirmed and shall be and remain in full force and effect.

IN WITNESS WHEREOF, the parties have executed this Amendment effective as of the date first written above.

**AGENCY:**

**CLACKAMAS COUNTY DEVELOPMENT AGENCY,**  
a corporate body politic

By: \_\_\_\_\_

Name: \_\_\_\_\_

Its: Chair \_\_\_\_\_

**DEVELOPER:**

**SHANTI INVESTMENTS, LLC,**  
an Oregon limited liability company



By:

Name: Jayanti Patel

Its Chair: Jayanti Patel

Date: 01/24/2022